

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CRP-750

For: State and County Offices

Handling Outstanding 2012 and Prior Year CRP and Related Payments and Overpayments

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Notice CRP-741 notified State and County Offices:

- that software currently used to issue CRP annual and incentive payments for amounts earned in 2012 and prior years would be disabled
- to ensure all payments that have been earned are issued, to the maximum extent possible, through the automated web-based Conservation Payment software before the 2012 and prior year options were disabled
- that any payments not issued after applicable software options were disabled would subsequently be issued through an authorized payment process that included a manual review of the case file by State Offices.

B Purpose

This notice:

- notifies State and County Offices that options for 2012 and prior year CRP-related payment processing were disabled on September 5, 2013
- advises State and County Offices any additional payments earned in FY 2012 or a prior year must be issued through Online Payment (OLP) software following a manual review of the case file
- advises State and County Offices that overpayments to producers of a 2012 or prior year payment will be established manually in NRRS
- provides guidance to County Offices for recording authorized payments in OLP
- provides guidance to County Offices for manually establishing receivables in NRRS.

Disposal Date

March 1, 2014

9-25-13

Distribution

State Offices; State Offices relay to County Offices

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2 Authorized Review Process

A Introduction

The automated payment process is designed to:

- compute payments or provide a process to record a payment amount
- check producer eligibility based on the rules applicable to the payment being processed
- control payment limitation
- send outstanding payments to NPS and overpayment amounts to NRRS.

After an automated payment system is disabled, any outstanding payments must be issued following an authorized review process. The purpose of the review process is to verify the requested payment has been earned and to determine the amount of the outstanding payment.

The Conservation Payment software for 2012 and prior year CRP and related payments was disabled on September 5, 2013. The remainder of this paragraph provides guidance for the authorized payment process for 2012 and prior year CRP, EFCRP, PIP, SIP, TIP annual rental payments.

B Establishing the Authorized Review Process

The authorized review process for 2012 and prior year CRP payments has been delegated to State Offices with oversight review by the National Office.

State Offices shall review case file documentation submitted by County Offices before authorizing payments earned in 2012 or a prior year. To expedite the review process and ensure outstanding payments are issued timely to eligible producers, State Offices have discretionary authority to create a review team or teams to assist with the review effort. However, State Offices remain responsible for establishing the protocol to ensure that any payment authorized is proper and all applicable eligibility requirements have been met **before** authorizing County Offices to issue additional payments.

For each case where a payment is authorized to be issued through OLP, all documentation shall be submitted to the National Office for potential review. See subparagraph 4 A for additional information.

It is recommended that Authorization Review Teams consist of staff with the following expertise:

- CRP policy and procedure
- payment limitation and payment eligibility policy and procedure.

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2 Authorized Review Process (Continued)

C Documentation Required for Review

This table provides general guidance on the steps for reviewing cases **before** authorization is provided to County Offices to issue additional payments.

| Step | Action | Documentation Required |
|------|---|--|
| 1 | Verify CRP contract is properly signed and approved by COC and determine the contract or incentive payment amount. | CRP-1 associated with the requested authorized payment. |
| 2 | Determine why payment was not issued timely. | Explanation provided by the County Office as to why the payment was not issued before the Conservation Payment software was disabled. |
| 3 | Verify payment has not been issued or determine the amount originally issued, if a portion has been issued. | <ul style="list-style-type: none"> FWADM report by producer/member. Financial inquiry report for the producer/member. Conservation Payment Report. |
| 4 | If the payment entity is an entity or a joint operation, determine the members of the operation. | CCC-501A, CCC-502, CCC-701, or CCC-902 applicable for the year the requested payment was earned. |
| 5 | Determine whether the payment entity meets all eligibility requirements. | Subsidiary Print to ensure that payment eligibility requirements have been met for the payment entity and members, if applicable. See 3-PL, paragraph 303 for additional information. |
| | Note: If the payment entity is a joint operation, then eligibility must also be checked for the members of the joint operation. | |
| | IF contract is subject to... | |
| | THEN the following eligibility requirements must be met... | |
| | 1-PL provisions | <ul style="list-style-type: none"> actively engaged – 2002 Farm Bill AD-1026 cash rent tenant conservation compliance controlled substance Federal crop insurance foreign person fraud, including FCIC fraud permitted entity person eligibility – 2002 Farm Bill. |
| | 4-PL provisions | <ul style="list-style-type: none"> AD-1026 conservation compliance controlled substance Federal crop insurance foreign person fraud, including FCIC fraud. |
| 6 | Determine whether AGI requirements were met for the payment entity for the applicable contract. | Screen shot of the Update AGI Web Page in the Conservation Payment software for the contract and producer. |
| | Note: If the payment entity is an entity or joint operation, then AGI eligibility must also be checked for the members of the entity/joint operation. | |

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2 Authorized Review Process (Continued)

C Documentation Required for Review (Continued)

| Step | Action | | Documentation Required |
|------|--|---|---|
| 7 | Determine whether there are any payment reductions because of haying, grazing, unauthorized uses, etc. | | Documentation provided by County Office. |
| 8 | Recompute the payment to determine the amount due the producer taking into consideration: <ul style="list-style-type: none"> all reductions as determined in steps 5 through 7 prior payments previously issued. | | Additional documentation, such as NAD appeal or succession information, may be needed to complete this step. |
| 9 | Determine the maximum amount that can be paid because of payment limitation. See subparagraph 4 C for additional information. Note: For payment limitation purposes, all amounts issued to or attributed to an individual or entity must be taken into consideration if they are associated with a CRP contract subject to 4-PL provisions. | | <ul style="list-style-type: none"> Payment Limitation Detailed Report for the payment entity and/or member. See 3-PL, paragraph 143 for additional information. FWADM and/or Financial Inquiry Reports. MABDIG to determine other operations associated with the producer or member, as applicable. Note: Payments authorized through OLP will not be reflected on the Payment Limitation Detailed Report, so State Offices will have to develop an alternate method to account for payments issued through OLP. |
| 10 | Determine the available obligation amount for the contract. | | Outstanding obligation report. See subparagraph 3 B. |
| 11 | Determine whether prompt payment interest is due. | | |
| | IF prompt payment interest is... | THEN... | |
| | not due | proceed to step 12. | |
| | due | <ul style="list-style-type: none"> calculate the prompt payment interest amount according to 61-FI contact CEPD, Policy Analysis Branch (PAB) for additional funds. | |
| 12 | Issue additional payments using OLP according to paragraph 4. | | |

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3 Reporting Process and Tools

A Authorized SharePoint Site

PECD has created a SharePoint site used to submit case file documentation related to requests for authorized payments for programs such as DCP, NAP, and SURE. A section will be added to the SharePoint site that will be used to submit case file information for CRP and related payments authorized by State Offices.

Specific information will be sent to State Office by e-mail about the steps for uploading documentation to the site with the URL as soon as the site is constructed.

When authorizing CRP payments for 2012 and prior years, State Offices shall submit all documentation associated with the case file along with the amount of the payment authorized. The National Office staff will conduct compliance reviews to verify authorized payments are proper.

B Outstanding Obligation Report

Before any payment can be authorized through OLP, the contract must have a corresponding obligation. For CRP and related payments, obligations occur as follows:

- annual payments, including CRP, EFCRP, and TIP, are obligated in a batch process before the applicable October payment run
- PIP payments are manually obligated
- SIP payments are manually obligated.

A report has been created that lists all CRP, EFCRP, and TIP contracts with outstanding obligations. Theoretically, if a contract has not been fully paid, then the contract should be listed on this report with the amount of the unliquidated obligation or “Unpaid Amount”.

Note: PIP and SIP payments are **not** included on the outstanding obligation report.

The following is an example of the type of information included in the report.

| State | County | Contract Number | Payment Year | Contract Amount | Obligation Amount | Partial Paid Amount | Unpaid Amount | Obligation Identifier | Obligation Request Identifier | Program Year | Budget Fiscal Year |
|-------|--------|-----------------|--------------|-----------------|-------------------|---------------------|---------------|-----------------------|-------------------------------|--------------|--------------------|
| 25 | 011 | 1345A | 2012 | \$2,408 | \$2,408 | \$0 | \$2,408 | 28548002 | 843951 | 2000 | 2012 |
| 27 | 015 | 1246A | 2012 | \$1,471 | \$1,471 | \$0 | \$1,471 | 28546050 | 843952 | 2000 | 2012 |
| 46 | 025 | 10032G | 2012 | \$2,413 | \$2,413 | \$0 | \$2,413 | 34606537 | 1625411 | 2012 | 2012 |
| 55 | 035 | 1887A | 2012 | \$506 | \$506 | \$0 | \$506 | 28594699 | 893170 | 2011 | 2012 |

The outstanding obligation report will be posted on the PECD Authorized Payment SharePoint site. Additional information for accessing the site will be provided according to subparagraph 3 A. State Offices shall contact CEPD, PAB for assistance:

- if an existing obligation does not exist for CRP, EFCRP, or TIP contracts
- to request an obligation for PIP or SIP payments.

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3 Reporting Process and Tools (Continued)

C Payment Limitation Spreadsheet

The payment limitation rules for CRP are complex because producers may have contracts subject to 1-PL rules, 4-PL rules, or both. Additionally, some producers may be earning payments directly and indirectly through other operations.

To assist with the process of ensuring that payment limitation will not be exceeded if a payment is authorized, a spreadsheet is being developed that will be provided to State Offices by e-mail as soon as possible after the issuance of this notice.

4 Issuing Authorized Payments Through OLP

A OLP Modifications for CRP

OLP application has been modified to allow users to enter the Budget Fiscal Year (BFY) and Obligation ID for CRP 2012 and prior payment years. Contracts with multiple producers on the contract will have a separate Obligation ID to be entered in OLP. The State Office will forward the County Office information required to process OLP payments for CRP from the CRP Authorization Process Report. The Outstanding Obligation Report will contain a list of contracts numbers and the corresponding Obligation ID's.

The Payment Year (PY) is the FY year in which the payment is earned.

B CRP OLP Codes

The following codes shall be used when entering information in OLP.

Note: "XX" in the program code **must** be replaced with the program contract year.

| Program Name | Program Code | Description |
|--|----------------|--|
| CRP | XXWECRP | CRP annual rental for 2012 and prior payment years. |
| CRP Incentive Program | XXECPRINCENTIV | Nonautomated PIP and SIP for 2012 and prior payment years. |
| CRP Transition Incentive Program (TIP) | 11CRPTIP | Automated obligations. |
| | 12CRPTIPCP | Nonautomated obligations. |
| EFCRP | XXWEFCRPE | EFCRP annual rental for 2012 and prior payment years. |

Note: New codes were established to process payments earned in FY 2013 through the web-based system.

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4 Issuing Authorized Payments Through OLP (Continued)

C Creating Payment Requests for CRP, EFCRP Annual Rental, and 11CRPTIP in OLP

Payment requests must be created in OLP for CRP, EFCRP annual rental, and TIP payments. CRP OLP training is available for State and County Office employees about how to enter CRP, EFCRP annual rental, and TIP payments, and fields required for processing CRP OLP payments.

To access the CRP OLP training, go to DAFO's training web site at <http://intranet.fsa.usda.gov/fsatraining>. Scroll down and on the left under "Other", CLICK "**Financial Web Applications**". On the Financial Web Applications Screen that will be displayed, CLICK "**Online Payments (OLP)**".

After entering the information in OLP, the payment **must** be certified and signed in NPS according to 1-FI, paragraphs 139 and 140.

D Creating Payment Request for SIP, PIP, and 12CRPTIPCP in OLP

Since SIP, PIP, and 12CRPTIPCP are manual obligations, only the "Contract Number" is required in OLP. State Office authorization is also required.

5 Action

A State Office Action

State Offices shall:

- establish a CRP payment review process for authorizing 2012 and prior year outstanding payments

Note: If the State Office determines an Authorization Review Team is not needed and all reviews will be conducted by the State Office, then the action in subparagraph B applies to State Office staff reviewing authorization requests.

- provide oversight and guidance to the Authorization Review Team and County Offices
- contact CEPD for guidance about:
 - CRP program policy
 - requests for additional obligation funds
- contact PECD for guidance about:
 - payment limitation and payment limitation policy
 - subsidiary software questions.

5 Action (Continued)

B State Office Authorization Review Team Action

State Office Review Team members shall:

- ensure that all required documentation has been submitted by the County Office to determine whether an outstanding payment is due
- not authorize the issuance of any payment until a thorough review of the case file has been completed
- work with the applicable State Office specialists about policy and procedure questions
- provide a formal response to the County Office with all of the following information, if authorization to issue a payment through OLP is granted:
 - amount of the payment authorized
 - BFY
 - contract number
 - obligation ID number
 - payment year
 - producer name.

C County Office Action

County Offices Review Team members shall:

- thoroughly review the case file to ensure that additional payments have been earned by the producer **before** submitting an authorization request to the State Office or State Office Authorization Review Team
- provide all case file documentation to the State Office or State Office Authorization Review Team so a complete review can be conducted
- contact the applicable State Office specialist about policy and procedure questions
- issue additional payments through OLP after authorization is received from the State Office or State Office Authorization Review Team, as applicable
- manually establish receivables according to 64-FI using the program codes in subparagraph 4 B, if a producer ID determined to be overpaid for a payment earned in FY 2012 or a prior year.